REMARKS

Claims 1-44 are pending. Claims 1-44 are rejected.

The Applicant thanks the Examiner for withdrawing the objection to claim 35 and the rejection of claim 35 under 35 USC 112, second paragraph.

Claims Rejections – 35 USC §112

Claims 1, 7, 11, 13-16, 17-20, 29, 31-34, and 37-41 are rejected by the Office Action under 35 USC 112, second paragraph. Regarding claim 1, the Office Action alleges that "It is not clear whether these components are software modules, or hardware units." Claim 1 includes "storage containing instructions". "Instructions are software. The specification, as originally filed, discloses computer-readable medium 1500 (Figure 15) that includes Inquiry Receiving Component 1502, Response Receiving Component 1504, and Confirming Component 1506. Moreover, the specification discloses "In other embodiments, the above methods or variations thereof could be implemented by using one or more computer-executable components or sets of instructions as illustrated in FIG. 15." When claim 1 is read in the context of the specification and drawings, the claim is definite and points out and distinctly claims the subject matter which the Applicant regards as the invention.

Regarding claims 7, 11, 13-16, 17-20, 29, 31-34, 37-41, and 44, the Office Action alleges that the claims are confusing because "the terms 'capability', 'ability', 'can', 'capable', and 'able' indicate potential, not actual method steps." However, claims 7, 11, 13-16, 17-20, 37-41, and 44 are system claims (not method claims) because claims 7, 11, 13-16, 17-20, 37-41, and 44 depend from system claims. The referred terms do not refer to steps, and thus the allegation that the referred terms "indicate potential, not actual method steps" is not proper. Moreover, while claims 29 and 31-34 are method claims, claims 29 and 31-34 include "capability domain" but do not include any of the referred terms as cited by the Office Action. The specification, as will be discussed, discloses subject matter regarding the phrase "capability domain".

Regarding claims 13 and 37, the Office Action alleges that "It is not clear what the phrase 'capability domain' actually contemplate'. However, the specification, as originally filed, discloses capability domain 704 as shown in Figure 7. For example, the specification discloses (Paragraphs 52 and 53. Emphasis added.):

In one implementation pertaining to an ongoing business setting, each company has a partnership record, which defines its activity and level of trust with another respective business partner. FIG. 7 shows one example of a partnership record 700, which has an active trust domain 702 and **capability domain 704**. In this example there are four activity-trust levels that a company assigns to other companies: a level one (706) in which a company essentially has little or no trust in the other company in a business sense, a level two (708) which is referred to as a commodity associate trust level, a level three (710) which is referred to a competitive advantage trust level, and a highest trust—level four (712)—which is referred to as a strategic trust level. In short, the levels 706-712 identify the closeness of the trust relationship.

The **capability domain 704** can be divided into one or more functions or roles that companies fulfill in business transactions between one another. Preferably, the functions or roles are defined by the nature in which the two entities interact. These functions or roles can include, but are not limited to: design 714, source 716, plan 718, buy 720, make 722, sell 724, fulfill 726 and service 728.

When claim 13 and 37 are read in the context of the specification, claims 13 and 37 are definite and do particularly point out and distinctly claim the subject matter which the Applicant regards as the invention.

Regarding claim 37, the Office Action alleges that "It is not clear what does the phrase 'an activity trust domain' actually contemplate." However, the specification discloses activity trust levels (e.g., level one 706) corresponding to activity trust levels. When claim 37 is read in the context of the specification and the drawings, claim 37 is definite and does particularly point out and distinctly claims the subject matter which the Applicant regards as the invention.

The Applicant requests reconsideration of claims 1, 7, 11, 13-16, 17-20, 29, 31-34, and 37-41.

Claims Rejections – 35 USC §101

Claims 13-16, 40-41, 17-20, and 44 are rejected by the Office Action under 35 USC 101 because "the claimed transitive trust network system does not recite a limitation in the technological arts". The Applicant has amended independent claims 13, 17, and 44 to clarify that the claimed invention is limited to the technological arts. Regarding claim 13, the Applicant has clarified "the transitive trust network system comprising at least one computer". The Office Action further alleges that "entity trust list", "transactional trust list", "at least one parameter", and "capability domain and activity trust level database" are "abstract ideas which can be

assessed mentally without interaction of a physical structure." However, the specification of the present patent application discloses (Paragraph 41. Emphasis added.):

> The trust component 405 of the transitive trust system 401 can include two or more portions such as, for example, a portion directed to entity trust portion 407 and a portion directed to transactional trust portion 409. Entity trust portion 407 is preferably a **list** or other data structure that stores the distinguishing characteristics of those companies with which one has or desires to have a business relationship (*i.e.*, an **entity trust list**). The entity trust can define or describe the dependability, reliability and/or credibility of the entities included in the list or data structure.

Also, the present patent application discloses (Paragraph 43. Emphasis added.):

> Transactional trust portion 409 is preferably **a list** or data structure that **stores the parameters** that define business exchanges within a particular industry segment. Transactional trust portion 409 can include information about the types of transactional activities that can take place and proxy actions available to cooperating entities. Further, transactional trust portion 409 can capture criteria related to conducting a single business transaction. These criteria can preferably be divided between proxy and activity-trust parameters, and may be included in one or more transactional trusts (*e.g.*, transactional trust lists).

With the clarifying amendment in claim 13, the concept of a "list" is not abstract. Moreover, a database is a well known concept in the computer art. Thus, "entity trust list", "transactional trust list", "at least one parameter", and "capability domain and activity trust level database", as claimed in claim 13, interact with a physical structure of the transitive trust network system.

Similarly, the Applicant has amended claim 17 to clarify "the transitive trust network system comprising at least one computer" and claim 44 to clarify "the selected entity comprising at least one computer". Claims 14-16, 40-41, and 18-20 ultimately depend from claims 13 and 17 and recite statutorily permitted subject matter for the reasons discussed above. Thus, the Applicant requests reconsideration of claims 13-16, 40-41, 17-20, and 44.

Claims Rejections – 35 USC §102

Claims 1-21, 23, and 44 are rejected by the Office Action under 35 USC 102(e) as being anticipated by US 2002/0128939 (Tarrant). Regarding claim 1, The Office Action alleges that "Information as to content of the instructions, including: receiving an inquiry; receiving a response; indicating availability of establishing new relationship; indicating a trust level about the sought entity by the intermediate entity; and determining whether information can be shared,

is **non-functional** language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of **structure rather than function**, In re *Danly* 263 F. 2d 844, 847, 120 USPQ 582, 531 (CCPA 1959)". (Emphasis added.) The Applicant respectfully submits that the apparatus claimed in claim 1 is distinguished from prior art in terms of structure. In *In re Danly*, the press structure of disputed claims 1 and 2 was not distinguished from any other tie rod in the prior art because "an alternating current may be passed through any tie rod which is insulated from the press frame". (120 USPQ 532.) However, claim 1 of the present application includes "an inquiry receiving component for receiving an inquiry from the seeking entity". The "inquiry receiving component has a structural relationship with the seeking entity. Also, the "confirming component" utilizes the response as received by the "response receiving component". While a tie rod cannot be distinguished from another tie rod of disputed claims 1 and 2 in *In re Danly*, a component is distinguished from other components as claimed in claim 1 of the present patent application. Each component type ("inquiry receiving component", "response receiving component", "confirming component", and "verification component" is structurally distinguished from other components corresponding to different component types. Thus, for at least the above reasons, all features of claim 1 should be given patentable weight. Because all features are not taught in Tarrant, the Applicant requests reconsideration of claim 1.

Regarding independent claim 13, the Office Action alleges "Information as to content of the database and instructions, including characteristics of entities; a level of trust being gauged by the at least one characteristic; and a parameter relative to an exchange between two entities; a parameter being indicative of an action that a trusted party can perform; a capability domain for each of the at least two entities, is non-functional language and given no functional [patentable] weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly*". As with claim 1, claim 13 is distinguished from prior art in terms of structure. For example, the entity trust list includes a characteristic of at least two entities of the transitive trust network system. Also, each entry of the capability and activity trust data base for each entry is indexed by an entity role and a level of trust. The transitive trust network system retrieves information (e.g., the at least one characteristic and the at least one parameter) from the entity trust list and the transactional trust list in order to provide a framework for at least two of the entities to establish relationships between on another". For at least the above reasons, the claimed apparatus of claim 13 is structurally distinguished from the

prior art, and thus all features of claim 13 should be given patentable weight. Because all features are <u>not</u> taught in Tarrant, the Applicant requests for reconsideration of claim 13.

Regarding claim 17, the Office Action alleges that "Information as to content of the database and instructions, including a capability for each of the at least two entities; a plurality of levels of trust and a plurality of entity roles, is non-functional language and given no functional [patentable] weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function. *In re Danly*". As with claim 1, claim 17 is distinguished from prior art in terms of structure. For example, the transitive trust network system retrieves information from the entity trust list and the transactional trust list in order to provide a framework for at least two of the entities to establish relationships between on another". For at least the above reasons, the claimed apparatus of claim 17 is structurally distinguished from the prior art, and thus all features of claim 17 should be given patentable weight. Because all features are not taught in Tarrant, the Applicant requests for reconsideration of claim 17.

Regarding claim 44, the Office Action alleges "Information as to specific content of said databases, and said information as to storing a trust level for each directly interconnected entity and at least one corresponding valuation criterion for determining the trust level is non-functional language and given no functional [patentable] weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function. *In re Danly*". As with claim 13, claim 44 claims apparatus that is structurally distinguished from the prior art. For example, the transactional component utilizes information from the trust component in order to provide peer-to-peer capability for sharing information with the other interconnected entity. For at least the above reasons, all features of claim 44 should be given patentable weight. Because all features are not taught in Tarrant, the Applicant requests for reconsideration of claim 44.

Claims 2-12, 14-20, and 40-41 depend from claims 1, 13, and 17. The Applicant requests reconsideration of claims 2-12, 14-20, and 40-41 for at least the above reasons.

Regarding claim 21, the Office Action alleges that Tarrant teaches "the response being indicative or [of] a trust level of a sought entity and of a corresponding valuation criterion (trustworthiness) [0018]; [0021]". However, Tarrant does <u>not</u> teach the feature of "establishing the new business relationship with the sought entity based on the response, the response being indicative of a trust level of the sought entity by the intermediate entity and of a corresponding

valuation criterion, **the trust level being dependent on the corresponding valuation criterion**". (Emphasis added.) Tarrant does disclose(Paragraph 0018. Emphasis added.):

> (d) in response to the request from the second user, transmitting the data from the relational database to a second user computer, wherein, absent a request from the second user for data from a specific source or **level of trustworthiness**, the data transmitted comprise data from users of the highest level of trustworthiness available. In particular embodiments, data received from the first user comprise alternative investment data; sources of the highest level of trustworthiness comprise investment managers, fund administrators, or fund sponsors; sources of at least one level of trustworthiness comprise investors, and the investor level is subdivided into two or more sublevels that are determined at least partly by reliability of previously submitted information; sources of at least one level of trustworthiness comprise investors, and the investor level is subdivided into two or more sublevels, and an investor's sublevel is determined at least partly by amount of demand for the investor's information by other investors; and alternative investment data from the first user comprise fund data.

Tarrant merely teaches about a trust level and not about a trust level <u>and</u> a corresponding valuation criterion, from which the trust level is dependent. The Applicant requests reconsideration of claim 21.

Regarding claim 23, the Office Action alleges that Tarrant teaches "the response being indicative or [of] a trust level of a sought entity and of a corresponding valuation criterion (trustworthiness) [0018]; [0021]". However, for at least the reasons discussed above, Tarrant does not teach the feature of "receiving a confirmation of a relationship between the at least one trusted company, the confirmation being indicative of a trust level of the unknown company by one of the at least one trusted company and a corresponding at least one valuation criterion, the trust level of the unknown company being dependent on the corresponding at least one valuation criterion". The Applicant requests reconsideration of claim 23.

Claims Rejections – 35 USC §103

Claims 22, 24, 30, 35-36, and 42-43 are rejected under 35 USC 103(a) as being unpatentable over Tarrant in view of US 2002/0078003 (Krysiak). Claim 22 depends from claim 21. As discussed above, Tarrant does not teach or even suggest all of the features in claim 21. Moreover, Krysiak does not make up for the deficiencies of Tarrant. Thus, claim 22 is patentable over Tarrant in view of Krysiak for at least the above reasons.

Regarding claim 24, the Office Action alleges that "Tarrant teaches "receiving at one entity a contact identifying another entity; identifying said another entity as a member of a

trusted entities list; establishing a business relationship with the sought entity based on the information being indicative of the level of trustworthiness of said another entity". The Office Action further admits that Tarrant does not specifically teach the degree of separations between the entities. However, the Office Action fails to show teachings that even suggest the feature of "querying, if the first entity is not a trusted entity and **if a proxy parameter is indicative that trusted entities are permitted to forward requests to other trusted parties**, the trusted entities and specifying a predetermined degree of separation", and thus the Office Action has <u>not</u> established *prima facie* obviousness. (Emphasis added.) Because claim 42 depends from claim 24, claim 42 is patentable for at least the above reasons.

Regarding claim 30, the Office Action alleges that "Tarrant teaches: receiving at one entity a contact identifying another entity; checking a list of trusted entities for identifying said another entity as member of a trusted entities list; establishing a business relationship with the sought entity based on the information being indicative of the level of trustworthiness of said another entity". The Office Action admits that Tarrant does not specifically teach the degree of separations between the entities". However, the Office Action fails to show teachings that teach or even suggest the feature of "querying, if the first entity is not a trusted entity and **if a proxy parameter is indicative that trusted entities are permitted to forward requests to other trusted parties**, by the second entity at least a third entity of the trusted entities associated with the second entity, and specifying a predetermined degree of separation", and thus the Office Action has not established *prima facie* obviousness. (Emphasis added.) Because claim 43 depends from claim 30, claim 43 is patentable for at least the above reasons.

Regarding claim 35, the Office Action has not shown any teachings that even suggest the features of "forwarding, by the third company, based on a respective list of peers thereof and a trust agreement between the first company and the third company, a 'Do You Know' query to further Companies on behalf of the first company, verifying rights management models between all peers" and "responding by the respective company to the third company with an affirmative on knowing the second company, in response to the 'Do You Know' query". These features are supported in the specification as originally filed. For example, the specification discloses: (Paragraph 65. Emphasis added.)

> **As is well known in the business community, a company from time to time needs to find a new company to fulfill a particular role. It is important of course that the new company can be trusted to fulfill that rule. FIG. 8 depicts**

an example of the method of the present invention and FIG. 9 is a flowchart depicting the steps corresponding to FIG. 8. As depicted in FIG. 8, company Z (and all other companies in the transitive trust network) has a list 802 of trusted users, a database 804 of digital rights (that is, the partnership record) for each of the trusted users in the list 802, and a list 806 of active peers (that is for example, companies which are currently online with the present company). In a first step 901, company A is contacted by company Z regarding potential business transactions. In a second step 902, company A checks its trusted user list and finds that company Z is not contained therein. **That is, company Z is not known to company A. The companies contained in the trusted users list for company A are companies B, L, M, N and O.** At this point in time, companies L, M, N and O are not online and thus the only active peer is company B. In a step 903, company A wants to find out if company Z falls within three degrees of separation in its trust network. Company A then queries its trusted users (company B) to determine who is available or active for peer requests. In step 904, company B responds and is an active peer. In step 905, company B verifies a rights management model that exists between itself and company A. A rights management model is a set of rules or rights used to determine the type of information that may be exchanged between companies. **It is now been determined that company A is authorized to send "do you know" queries to company B. In step 906, company A asks company B if company Z is known to it, specifying a maximum of three degrees of separation.** In step 907, company B will query its trusted users to find active peers.

The Office Action states that "In response to the applicant's argument that Tarrant does not show 'Do You Know' query, examiner maintains that without indicating in the specification the advantage of said query over the prior art, the use of said query appears to be a matter of business choice". As disclosed above, interaction between companies is regulated by a rights management model. Without a "Do You Know" query, the interactions between companies, in accordance with the rights management model, cannot be properly regulated.

Regarding claim 36, the Office Action alleges that "Tarrant teaches: receiving at one entity a contact identifying another entity; checking a list of trusted entities for identifying said another entity as member of a trusted entities list; establishing a business relationship with the sought entity based on the information being indicative of the level of trustworthiness of said another entity". The Office Action admits that Tarrant does not specifically teach the degree of separations between the entities". However, the Office Action fails to show teachings that even suggest the feature of "querying, if the first entity is not a trusted entity and **if a proxy parameter is indicative that trusted entities are permitted to forward requests to other**

trusted parties, the trusted entities and specifying a predetermined degree of separation" and thus has not established *prima facie* obviousness. (Emphasis added.)

For the reasons, as discussed above, the Applicant requests reconsideration of claims 22, 24, 30, 35-36, and 42-43.

Claims 25-29 and 31-34 are rejected by the Office Action as being unpatentable over Tarrant and Krysiak in view of US 2002/0152086 (Smith). Claims 25-29 and 31-34 depend from claim 24 and 30. Moreover, Smith does not make up for the deficiencies of Tarrant and Krysiak, and thus claims 25-29 and 31-34 are patentable for at least the above reasons.

Regarding claim 37, the Office Action alleges that "Tarrant teaches a database having a plurality of levels of trust except for plurality of entity roles, wherein each respective role in the plurality of roles defines a respective function that one entity fulfills to another entity." The Office Action admits that Tarrant does not specifically teach the degree of separations between the entities". However, the Office Action fails to show teachings that even suggest "a respective business process of a plurality of business processes being associated with each combination of a respective role of the plurality of roles and a respective trust level of the plurality of trust levels, **wherein the data structure is indexed by the capability domain and the activity trust domain to obtain a corresponding business process**", and thus the Office Action has not established *prima facie* obviousness. (Emphasis added.) Because claims 38 and 39 depend from claim 37, claims 38 and 39 are patentable for at least the above reasons.

For the reasons, as discussed above, the Applicant requests reconsideration of claims 25-29, 31-34, and 37-39.

CONCLUSIONS

All objections and rejections have been addressed. Hence, it is respectfully submitted that the present application is in condition for allowance, and a notice to that effect is earnestly solicited.

Respectfully submitted,

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